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**REPORT TO THE HONORABLE
MAYOR AND CITY COUNCIL**

GIFT ISSUES RELATED TO HOLIDAY BOWL

On December 30, 2003, the Holiday Bowl collegiate football game will be taking place at Qualcomm Stadium in San Diego. In addition to the game, the Holiday Bowl festivities will include other events taking place from Friday, December 26, 2003, until Tuesday, December 30, 2003. Because some City officials with gift reporting and gift limit obligations may have received tickets to the Holiday Bowl game and the associated events, this report is for the purpose of clarifying the gift issues related to those events.

GAME TICKETS

Tickets for the Holiday Bowl game do not need to be treated as gifts if they are obtained by City officials from the Stadium Director pursuant to Council Policy 700-22 [Policy]. According to the Policy, two tickets for each National Football League, National League Baseball, and collegiate football game are distributed to designated City officials, including the Mayor and Council members, the Qualcomm Stadium Advisory Board, the City Attorney, and City Manager. The Policy also contains guidelines for how tickets not being used by the credentialed holder are to be distributed. Because these Stadium Directors' Area tickets are provided to the City as part of the contract for the use of the City facility, and the use of the tickets is regulated by a City Policy, the tickets are gifts to the City, not to the officials who use them. Cal. Code Regs. tit. 2, § 18944.1(c).

Game tickets received by an official from any source other than the Stadium Director are subject to the gift reporting rule for gifts from a single source totaling \$50 or more in the same calendar year. Cal. Gov't Code § 87207(a)(1). As gifts, the game tickets are also subject to the \$340 limit for gifts from a single source in the same calendar year. Cal. Gov't Code § 89503; Cal. Code Regs. tit. 2, § 18940.2. Valuation of the tickets for these purposes must be based on the face value price that is offered to the general public. Cal. Code Regs. tit. 2, § 18946.1(a).

Although the Holiday Bowl Association that organizes the Holiday Bowl is a charitable organization exempt from taxation under section 501(c)(3) of the Internal Revenue Code, the Holiday Bowl game and related events are not charitable fundraiser events, according to a spokesman for the Association. Therefore, the tickets do not meet the criteria of the gift exception for charitable fundraiser events. Cal. Code Regs. tit. 2, § 18946.4.

RELATED EVENT TICKETS

A number of events and festivities associated with the Holiday Bowl will be taking place between Friday, December 26, 2003, and Tuesday, December 30, 2003. A complete listing of the events, and the ticket face value for each event, is attached to this memorandum. According to a spokesman for the Holiday Bowl Association, none of these events are charitable fundraisers. Therefore, tickets to these events are subject to the gift reporting and gift limit rules. Cal. Code of Regs. tit. 2, § 18946.4. Any recipient of complimentary tickets from the Holiday Bowl Association who wants to reimburse the Association for all or part of the value of the tickets can do so by sending a check payable to "Holiday Bowl", P.O. Box 601400, San Diego, CA, 92160.

Please feel free to contact Lisa Foster, Deputy City Attorney, at 533-5850 if you have any questions.

Respectfully submitted,

CASEY GWINN
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Attachment
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